

APPEAL BRIEF UNDER 37 C.F.R. § 41.37

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PATENT

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appellants: Brian A. Grove et al.

Examiner: Yogesh C. Garg

Serial No.: 10/750,052

Group Art Unit: 3625

Filed: December 30, 2003

Docket: 2043.036US1

Title: METHOD AND SYSTEM TO ADJUST A SELLER FIXED PRICE OFFER

APPEAL BRIEF UNDER 37 CFR § 41.37

Mail Stop Appeal Brief- Patents
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The Appeal Brief is presented in response to the Notice of Panel Decision from Pre-Appeal Brief Review mailed on December 4, 2007 and further in support of the Notice of Appeal to the Board of Patent Appeals and Interferences, filed on September 26, 2007, from the Final Rejection of claims 15-21, 51-57, 87-93 and 116-119 of the above-identified application, as set forth in the Final Office Action mailed on June 26, 2007.

The Commissioner of Patents and Trademarks is hereby authorized to charge Deposit Account No. 19-0743 in the amount of \$510.00 which represents the requisite fee set forth in 37 C.F.R. § 41.20(b)(2). The Appellants respectfully request consideration and reversal of the Examiner's rejections of pending claims.

1. REAL PARTY IN INTEREST

The real party in interest of the above-captioned patent application is the assignee, eBay Inc., as evidenced by the assignment from the inventors recorded October 5, 2004 at Reel 015853, Frame 0082.

2. RELATED APPEALS AND INTERFERENCES

There are no other appeals or interferences known to Appellants that will have a bearing on the Board's decision in the present appeal.

3. STATUS OF THE CLAIMS

The present application was filed on December 30, 2003 with claims 1-131. In response to a Restriction Requirement mailed August 2, 2006, claims 1-14, 23-50, 59-86, 95-115 and 120-131 were canceled. A non-final Office Action was mailed December 22, 2006. In response, claims 22, 58 and 94 were canceled. A Final Office Action (hereinafter “the Final Office Action”) was mailed June 26, 2007. Claims 15-21, 51-57, 87-93 and 116-119 stand twice rejected, remain pending, and are the subject of the present Appeal.

4. STATUS OF AMENDMENTS

No amendments have been made subsequent to the Final Office Action mailed June 26, 2007.

5. SUMMARY OF CLAIMED SUBJECT MATTER**INDEPENDENT CLAIM 15**

15. A network-based commerce system including:

 a processor (Figure 14, callout 1002, paragraph 127) coupled to a memory (Figure 14, callouts 1006, 1008, paragraph 127) through a bus (Figure 14, callouts 1024, 1008, paragraph 127); and

 an auction price-setting process (Figures 6A, 6B, 6D, paragraphs 16, 17, 19, 56, 76, 86) executed from the memory (Figure 14, callouts 1006, 1008, paragraph 127) by the processor (Figure 14, callout 1002, paragraph 127) to cause the processor (*Id.*) to adjust a reserve price (Figure 6A, paragraph 58, 60, 74; Figure 6B, callout 644, paragraphs 76, 80; Figure 6D, callout 690, paragraphs 90) associated with a listing of an item during a network-based auction price-setting process (Figure 6A, paragraphs 56, 58, 60, 74; Figure 6B, paragraphs 76, 80; Figure 6D, paragraphs 86) and to cause the processor (Figure 14, callout 1002, paragraph 127) to automatically notify one or more bidders of the adjustment of the reserve price (Figure 6A, callout 634, paragraph 72; Figure 6B, callout 654, paragraph 78; Figure 6D, callout 696, paragraphs 92).

INDEPENDENT CLAIM 51

51. A machine-readable medium (Figure 14, callout 1020, paragraph 128) having instructions (Figure 14, callout 1004, paragraph 127, 128) to cause a machine (Figure 14, callout 1000, paragraphs 126, 127, 128) to perform a method to facilitate operation of a network-based commerce system (Figure 14, paragraph 126), the method including:

 adjusting a predefined reserve price associated with a listing of an item during a network-based auction price-setting process (Figure 6A, paragraph 58, 60, 74; Figure 6B, callout 644, paragraphs 76, 80; Figure 6D, callout 690, paragraphs 90); and

notifying automatically one or more bidders of the adjustment of the reserve price (Figure 6A, callout 634, paragraph 72; Figure 6B, callout 654, paragraph 78; Figure 6D, callout 696, paragraphs 92).

INDEPENDENT CLAIM 87

87. A method to facilitate operation of a network-based commerce system (Figures 1, 2, paragraphs 34-46), the method including:

adjusting a predefined reserve price associated with a listing of an item during a network-based auction price-setting process (Figure 6A, paragraph 58, 60, 74; Figure 6B, callout 644, paragraphs 76, 80; Figure 6D, callout 690, paragraphs 90); and

notifying automatically one or more bidders of the adjustment of the reserve price (Figure 6A, callout 634, paragraph 72; Figure 6B, callout 654, paragraph 78; Figure 6D, callout 696, paragraphs 92).

INDEPENDENT CLAIM 116

116. A network-based commerce system (Figures 1, 2, paragraphs 34-46) including:

a means (Figure 14, callout 1002, paragraph 127; Figures 6A, 6B, 6D, paragraphs 16, 17, 19, 56, 76, 86) for adjusting a predefined reserve price associated with a listing of an item during a network-based auction price-setting process (Figure 6A, paragraph 58, 60, 74; Figure 6B, callout 644, paragraphs 76, 80; Figure 6D, callout 690, paragraphs 90) and for notifying automatically one or more bidders of the adjustment of the reserve price (Figure 6A, callout 634, paragraph 72; Figure 6B, callout 654, paragraph 78; Figure 6D, callout 696, paragraphs 92); and

a storage means (Figure 14, callouts 1006, 1008, paragraph 127; Figure 14, callout 1018, paragraph 127), coupled to the means for adjusting (Figures 6A, 6B, 6D, paragraphs 16, 17, 19, 56, 76, 86), for storing the reserve price.

This summary does not provide an exhaustive or exclusive view of the present subject matter, and Appellants refer to each of the appended claims and its legal equivalents for a complete statement of the invention.

6. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

§103 Rejection of the Claims

Claims 15-18, 21, 51-54, 57, 87-90, 93 and 116-119 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Nishi (U.S. Publication No. 2002/0161691A1; hereinafter Nishi) in view of Holden et al. (U.S. Publication No. 2001/0032175A1; hereinafter Holden).

Claims 19-20, 55-56 and 90-91 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Nishi and Holden et al. in view of Herschkorn (U.S. Patent No. 6,691,094; hereinafter Herschkorn).

7. ARGUMENT

35 U.S.C. §103

A) The Applicable Law under 35 U.S.C. §103

In rejecting claims under 35 U.S.C. §103, the Examiner bears the initial burden of factually supporting any *prima facie* conclusion of obviousness. *See* M.P.E.P. §2142.

In the recent decision of the Supreme Court on *KSR Int'l Co. v. Teleflex Inc.*¹, the analysis of obviousness previously set forth in *Graham v. John Deere Co. of Kansas City*², was reaffirmed. The Court in *Graham* set out an objective analysis for applying §103 as follows:

“Under §103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or nonobviousness of the subject matter is determined.”³

When claim elements are found in more than one prior art reference, the fact finder must determine “whether a person of ordinary skill in the art, possessed with the understandings and knowledge reflected in the prior art, and motivated by the general problem facing the inventor, would have been led to make the combination recited in the claims.” *In re Kahn*⁴. In so doing, the Examiner must make the factual determinations set forth in *Graham v. John Deere Co. of Kansas City*⁵.

Further, to establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*⁶. “All words in a claim must be considered in judging the patentability of that claim against the prior art.” *In re Wilson*⁷. Office personnel must rely on the applicant’s disclosure to properly determine the meaning of the

¹ 127 S.Ct. 1727, 82 USPQ.2d 1385 (2007).

² 383 U.S. 1, 17, 86 S.Ct. 684, 15 L.Ed.2d 545 (1966).

³ The Court in *KSR v. Teleflex*, at page 1730, quoted the analysis of *Graham* from page 18.

⁴ 441 F.3d 977, 988, 78 USPQ2d 1329, 1337 (Fed. Cir. 2006).

⁵ 383 U.S. 1 at 467.

⁶ 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

⁷ 424 F.2d 1382, 1385, 165 USPQ 494, 496 (CCPA 1970).

claims. *Markman v. Westview Instruments*⁸. Finally, prior art must be considered in its entirety including disclosures that teach away from the claims *W.L. Gore & Associates, Inc. v. Garlock, Inc.*⁹. Specifically, a disclosure that criticizes, discredits, or otherwise discourages the solution claimed *In re Fulton*¹⁰ is a significant factor to be considered in determining obviousness.

B) *The rejection of claims 15-21, 51-57, 87-93, 116-119 was erroneous because Nishi, whether alone or in combination with Holden or Herschkorn, fails to teach or suggest notification.*

Appellants believe that patentability is best understood with regard to claim 87.

Claim 87 includes the following limitation:

notifying automatically one or more bidders of the adjustment of the reserve price

The Final Office Action, in rejecting claim 87, contends that the above limitation is taught/suggested by the following from Holden, which fails to teach or suggest notifying automatically one or more bidders of the adjustment of the reserve price:

When a user has been granted access to a scheduled auction, the user is automatically notified with an invitation message in block 705. The system automatically opens the auction at the scheduled time, and an additional reminder invitation message is sent to the authorized users via e-mail. Throughout the auction, a variety of auction events will trigger additional automatic e-mail messages to the users authorized for that auction in block 707, as described above. The system will automatically close an auction at the scheduled end time.

Holden, paragraph 92 (first quote).

⁸ 52 F.3d 967, 980, 34 USPQ2d 1321, 1330 (Fed. Cir.) (*en banc*), *aff'd*, U.S., 116 S. Ct. 1384 (1996).

⁹ *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984).

¹⁰ *In re Fulton*, 391 F.3d 1195, 1201 (Fed. Cir. 2004).

28. A system as recited in claim 22, wherein posting an auction is performed using an auction representative interface and once posted, the auction representative interface creating an event which triggers an automatic message for automatically notifying the posting auction representative of winning bidders of the posted auction.

Holden, claim 28 (second quote).

The above quotes from Holden relate to messages. The first quote relates to an automatic e-mail message. Automatic e-mail messages are triggered throughout an auction to users. For example, a user may be notified when the user has been granted access to a scheduled auction. The second quote relates to an automatic message. The automatic message is for notifying a posting auction representative of winning bidders.

Claim 87 requires an automatic notification of one or more bidders of an adjustment of a reserve price. In contrast, the first quote from Holden relates to automatic e-mail messages that are triggered throughout an auction to users. Specifically, the first quote fails to teach or suggest automatic notification of one or more bidders of an adjustment of a reserve price.

The second quote also fails to teach or suggest the limitations of the claim 87. The second quote relates an automatic message that is for notifying a posting auction representative of winning bidders. Clearly the “notification a posting auction representative” from claim 28 of Holden is not the same as a notification of “bidders,” as required by claim 87. Further, “a posted auction,” as recited by claim 28 of Holden, is not the same as “an adjustment of a reserve price,” as required by the claim 87.

Moreover, Holden “teaches away” from the limitations of the claim 87. Specifically, Holden teaches away by relating a bidding screen that does not show a reserve price (Holden, Paragraph 28). Indeed, Holden may use the reserve price as a bidding limit to prevent a sale at a catastrophically low price. Nevertheless, Holden explicitly states, with reference to the reserve price and the bidding screen, “The reserve price is not shown” (*Id.*). To be sure, a review of Holden yields no description whereby the reserve price is disclosed to the bidders. Indeed, Holden provides a definition of a “Reserve Price” that states, with regard to a bidding screen, “the reserve price is not shown” (Holden, Paragraph 28). Accordingly, the teachings of Holden may be said to discourage the solution recited in claim 87 because it may be said that Holden deliberately prevents showing a reserve price to a bidder.

Nishi cannot provide what Holden lacks because Nishi, whether considered separately or in combination with Holden, also fails to teach or suggest an automatic notification of one or more bidders of an adjustment of a reserve price.

With respect to the above quoted limitations from claim 87, the Office Action mailed December 22, 2006 highlighted the following quotes from Nishi:

[0071] ... Data submitted at the assessor equipment 16 is sent to and shown on the buyer equipment 20. Data is transmitted and processed in the same way between the organizer equipment 12 and the assessor equipment 16, and between the organizer equipment 12 and the buyer equipment 20.

Nishi, paragraph 71 (first quote)

[0097] FIG. 5 is an example of the screen on the organizer equipment 12, the assessor equipment 16 and the buyer equipment 20 in the "bidding period P1." The left side of FIG. 5 is the information field 36, including screen 34. The lower right part of the screen is the information field 38. The upper right part of the screen is input area 40. First, buyers can enter their bid on the input area 40. Second, the assessor equipment and the buyer equipment 20 show the status of the bidding. Then the "reserve price modification" is requested and the session status is shown on the assessor equipment.

Nishi, paragraph 97 (second quote)

[0101] FIG. 6 (2) shows the input area 40 on FIG. 5 of both of the organizer equipment 12 and the assessor equipment 16 during the "bidding status notification period P2" and the "trade judgment period P3." The chart 50 shows the relationship between the bidding prices and the number of bid entries. The assessor and sellers can click on the "reserve price modification button" or "Continue (cycle) button" on the input area 40 (refer to the chart 50).

Nishi, paragraph 101 (third quote)

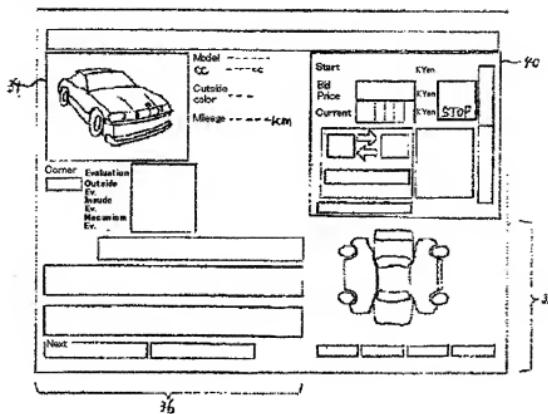
The above three quotes from Nishi describe assessor equipment, buyer equipment, and organizer equipment. The first quote states that data that is submitted at assessor equipment is sent to and shown on buyer equipment. The first quote does not describe the data that is submitted. The second quote describes an illustration of a screen that is common to the three mentioned types of equipment. The second quote further describes the assessor equipment and the buyer equipment showing a status of bidding, and then states, "[t]hen the reserve price

modification is requested." The third quote describes an input area that appears only on the organizers equipment and the assessor equipment, and an assessor and seller clicking on a "reserve price modification button."

Claim 87 requires an automatic notification of one or more bidders of an adjustment of a reserve price. In contrast, the first quote merely states that data that is submitted at assessor equipment is sent to and shown on buyer equipment without any further description of the data that is shown on the buyer equipment. Further, the second quote from Nishi describes a request of a reserve price modification but fails to describe an automatic notification of one or more bidders, as required by claim 87. Further, the third quote describes assessors and sellers that may click on a "reserve price modification button" and therefore also fails to describe the limitations of claim 87.

Nishi illustrates the following:

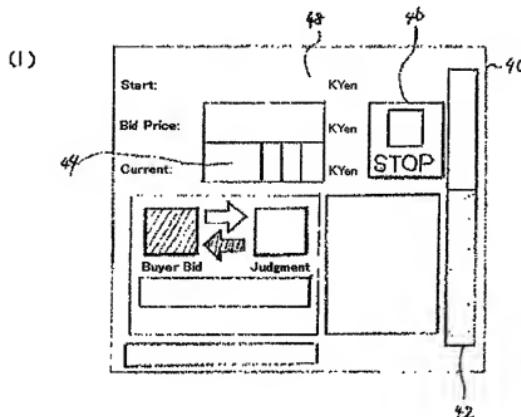
[Fig. 5]



The above Figure 5 illustrates the screen described by the second quote. Specifically, the above screen appears on the organizer equipment, the assessor equipment and the buyer equipment and includes an input area 40. The above illustrated screen does not include the described "reserve price modification button."

Nishi further illustrates the input area 40 for all three types of equipment as follows:

[Fig. 6]

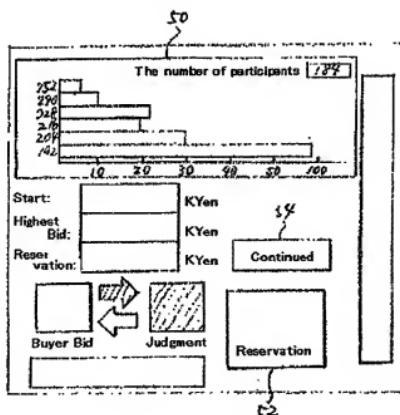


The above illustrated input area 40 does not include the described "reserve price modification" button.

Nishi further illustrates the input area 40 *on the organizer equipment and the assessor equipment* during the “bidding status notification period” as follows:

FIG. 6

(2)



The above illustrated input area 40 indeed includes the described “reserve price modification” button and an area identified “Reservation.” Nevertheless, the above illustrated input area 40 appears on the organizer equipment and the assessor equipment *but never on the buyers equipment*. Accordingly, Nishi cannot describe an automatic notification of one or more bidders of an adjustment of a reserve price, as required by claim 87, because Nishi fails to disclose a buyer that receives such information, much less an automatic notification of one or more bidders of an adjustment of a reserve price as required by claim 87.

In response to the above, the 102 rejection was withdrawn. Nevertheless, a subsequent Advisory Action mailed September 17, 2007 contends that Nishi implies the above quoted limitation of claim 87. Specifically, the Advisory Action states:

...it would be implied that Nishi, via its computerized system communicated the adjustment of the reserve to the bidders enabling them to consider it before making bids.

Advisory Action, page 2.

Accordingly, the Advisory Action maintains that a person of ordinary skill in the art would be motivated to look from Nishi to Holden for the reason that such a notification would enable efficient and real time communication of a change on ongoing auction terms (*Id.*).

Appellants respectfully disagree. Nishi provides no such motivation because Nishi relates that when a “reserve price is modified, the goods are sold at the bidding prices that the reserve price modification specified” (Nishi, paragraph 72). In other words, Nishi relates a reserve price modification that terminates the auction. Accordingly, no motivation is present to look to Holden for a “real time communication of a change on ongoing auction terms” because Nishi discloses no ongoing auction after a modification of a reserve price.

In summary, a person having ordinary skill in the art is not motivated to combine Nishi with Holden.

The above remarks are also applicable to a consideration of independent claims 15, 51, and 116.

In addition, if an independent claim is nonobvious under 35 U.S.C. § 103 then, any claim depending therefrom is nonobvious and rejection of claims 16-18, 21, 52-54, 57, 87-90, 93 and 117-119 under 35 U.S.C. § 103 is also addressed by the above remarks.

Claims 19-20, 55-56 and 90-91 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Nishi and Holden et al. in view of Herschkorn (U.S. Patent No. 6,691,094; hereinafter Herschkorn).

Further, Herschkorn cannot describe an automatic notification of one or more bidders of an adjustment of a reserve price, as required by claim 87, because Herschkorn fails to describe an auction, much less an adjustment of a reserve price.

Claims 19-20 depend on independent claim 15. Claims 55-56 depend on independent claim 51. Claims 90-91 depend on independent claim 87. Accordingly, the rejection of claims 19-20, 55-56 and 90-91 under 35 U.S.C. § 103 is also addressed by the above remarks.

In summary, Holden, whether alone or in combination with Nishi or Herschkorn, does not teach or suggest each and every limitation of claims 15, 51, 87, and 116 as required to support rejections of the independent claims of the present application under 35 U.S.C. § 103.

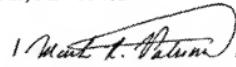
SUMMARY

For the reasons argued above, claims 15, 51, 87, and 116 were not properly rejected under § 103 as being unpatentable.

It is respectfully submitted that the art cited does not render the claims obvious and that the claims are patentable over the cited art. Reversal of the rejection and allowance of the pending claim are respectfully requested.

Respectfully submitted,

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Date 01/04/2008 By 

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This paper or fee is being filed on the date indicated above using the USPTO's electronic filing system EFS-Web, and is addressed to MS Appeals, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

8. CLAIMS APPENDIX

15. A network-based commerce system including:
 - a processor coupled to a memory through a bus; and
 - an auction price-setting process executed from the memory by the processor to cause the processor to adjust a reserve price associated with a listing of an item during a network-based auction price-setting process and to cause the processor to automatically notify one or more bidders of the adjustment of the reserve price.
16. The network-based commerce system of claim 15, wherein the adjustment of the reserve price includes lowering the reserve price.
17. The network-based commerce system of claim 15, wherein the adjustment of the reserve price includes removing the reserve price.
18. The network-based commerce system of claim 15, wherein the adjustment of the reserve price includes raising the reserve price.
19. The network-based commerce system of claim 15, wherein the auction price-setting process further causes the processor to automatically notify a seller of the item when a high proxy bid is within a predetermined percentage range of the adjusted reserve price.
20. The network-based commerce system of claim 15, wherein the auction price-setting process further causes the processor to automatically notify a seller of the item when a high proxy bid is within a predetermined value range of the reserve price.

21. The network-based commerce system of claim 15, wherein the auction price-setting process further causes the processor to lower a proxy bid, of a buyer higher than the adjusted reserve price, to a predetermined amount below the adjusted reserve price.

51. A machine-readable medium having instructions to cause a machine to perform a method to facilitate operation of a network-based commerce system, the method including:

adjusting a predefined reserve price associated with a listing of an item during a network-based auction price-setting process; and

notifying automatically one or more bidders of the adjustment of the reserve price.

52. The machine-readable medium of claim 51, wherein adjusting the reserve price includes lowering the reserve price.

53. The machine-readable medium of claim 51, wherein the adjusting the reserve price includes removing the reserve price.

54. The machine-readable medium of claim 51, wherein the adjusting the reserve price includes raising the reserve price.

55. The machine-readable medium of claim 51, including automatically notifying a seller of the item when a high proxy bid is within a predetermined percentage range of the adjusted reserve price.

56. The machine-readable medium of claim 51, including automatically notifying a seller of the item when a high proxy bid is within a predetermined value range of the reserve price.

57. The machine-readable medium of claim 51, including lowering a proxy bid, of a buyer higher than the adjusted reserve price, to a predetermined amount below the adjusted reserve price.

87. A method to facilitate operation of a network-based commerce system, the method including:

- adjusting a predefined reserve price associated with a listing of an item during a network-based auction price-setting process; and
- notifying automatically one or more bidders of the adjustment of the reserve price.

88. The method of claim 87, wherein adjusting the reserve price includes lowering the reserve price.

89. The method of claim 87, wherein the adjusting the reserve price includes removing the reserve price.

90. The method of claim 87, wherein the adjusting the reserve price includes raising the reserve price.

91. The method of claim 87, including automatically notifying a seller of the item when a high proxy bid is within a predetermined percentage range of the adjusted reserve price.

92. The method of claim 87, including automatically notifying a seller of the item when a high proxy bid is within a predetermined value range of the reserve price.

93. The method of claim 87, including lowering a proxy bid, of a buyer higher than the adjusted reserve price, to a predetermined amount below the adjusted reserve price.

116. A network-based commerce system including:

- a means for adjusting a predefined reserve price associated with a listing of an item during a network-based auction price-setting process and for notifying automatically one or more bidders of the adjustment of the reserve price; and
- a storage means, coupled to the means for adjusting, for storing the reserve price.

117. The network-based commerce system of claim 116, wherein adjusting the reserve price includes lowering the reserve price.

118. The network-based commerce system of claim 116, wherein the adjusting the reserve price includes removing the reserve price.

119. The network-based commerce system of claim 116, wherein the adjusting the reserve price includes raising the reserve price.

9. EVIDENCE APPENDIX

None.

10. RELATED PROCEEDINGS APPENDIX

None.